

Legislative Fiscal Division

Environmental Contingency Account Resource Indemnity Trust Fund Profile¹⁰

Fund Name (Number):

Environmental Contingency Account (02107)

Statutory References (date):

75-1-1101, MCA (1985)

Interest accrued in this fund was directed to the general fund by HB 171 of the 1997 Legislature. Previously, it was directed to the trust interest account.

Fund Purpose:

The purpose of the fund is to provide funding to meet unanticipated public needs such as renewable resource projects in communities where failure has occurred or is imminent; preservation of vegetation, water, soil, fish, and wildlife from imminent threat or during an emergency; response to emergency or imminent threat caused by mineral development or a hazardous material; and to fund the environmental quality protection fund if necessary. Funding is available only upon authorization from the Governor.

Fiscal Snapshot:

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Fund Balance	\$371,886	\$456,881	\$368,211	\$507,316	\$470,387	\$ 642,884
Revenues	192,365	0	175,000	(417)	175,417	0
Expenses	<u>107,370</u>	<u>88,670</u>	<u>35,895</u>	<u>36,512</u>	<u>2,920</u>	<u>134,021</u>
Ending Balance	<u>\$456,881</u>	<u>\$368,211</u>	<u>\$507,316</u>	<u>\$470,387</u>	<u>\$642,884</u>	<u>\$508,863</u>

Dependent Agencies:

In the past five years, funding has been made available to the Department of Environmental Quality, the Department of Natural Resources and Conservation, the Department of Fish, Wildlife and Parks, the Department of Livestock, the Department of Military Affairs, and the Department of Public Health and Human Services.

Revenue Sources:

Investment Earnings:

Resource Indemnity Trust Interest - \$175,000 biennium

¹⁰ A resource indemnity trust fund is defined as a fund that receives interest from the trust or resource indemnity groundwater tax revenues.

Revenue History:

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
RIT Interest	\$175,000	\$0	\$175,000	\$0	\$175,000	\$0
Other Revenue	<u>17,365</u>	<u>0</u>	<u>0</u>	<u>(417)</u>	<u>417</u>	<u>0</u>
Total Revenues	<u>\$192,365</u>	<u>\$0</u>	<u>\$175,000</u>	<u>\$(417)</u>	<u>\$175,417</u>	<u>\$0</u>

Historical Utilization:

Appropriations/Expenditure History:

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Environmental Quality	\$60,069	\$47,052	\$9,063	\$36,512	\$2,920	\$0
Natural Resources	0	0	0	0	0	130,000
Fish, Wildlife, Parks	0	41,630	1,832	0	0	0
Livestock	47,300	(12)	0	0	0	0
Military Affairs	0	0	0	0	0	4,021
Public Health	<u>0</u>	<u>0</u>	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$107,369</u>	<u>\$88,670</u>	<u>\$35,895</u>	<u>\$36,512</u>	<u>\$2,920</u>	<u>\$134,021</u>

Reasons for Expenditure Growth/Change:

Expenditures from the fund are based upon the unanticipated needs that arise as a result of a threat or emergency and are approved by the Governor. The Office of Budget and Program Planning keeps track of the activities in this fund. Funding has been used for the following:

DEQ	Harlem co-op petroleum release cleanup, Town of Nashua sewer, Beartooth Hospital day care soil cleanup
DNRC	St. Mary's diversion facility studies, hydraulic dredge lower Missouri irrigators
FWP	Bynum reservoir windmill aerators, NE Montana storm - haystack game damage, aeration of bean lake
Livestock	Kessler game farm closure
Public Health	Cleanup of hazardous chemicals in Cogswell laboratory

Issues:

This is the Governor's emergency fund for environmental issues. The fund has received its full allocation every biennium. Is the cash significant to meet unintended environmental events?

1. Establish an annual appropriation based on historical utilization.
2. Determine if there are significant guidelines for current fund utilization.
3. Change the amount of the appropriation.
4. Make no changes.

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